

114TH CONGRESS
1ST SESSION

H. R. 1113

To amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating insured depository institution's portfolio, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2015

Mr. BARR (for himself, Mr. WEBER of Texas, Mr. NEUGEBAUER, Mr. FINCHER, Mr. DOLD, Mr. TIPTON, Mr. HILL, Mr. LUCAS, Mr. ROTHFUS, Mr. LUETKEMEYER, Mr. STIVERS, Mr. KING of New York, Mr. HULTGREN, Mr. DUFFY, Mr. STUTZMAN, Mr. GUINTA, and Mr. RIBBLE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating insured depository institution's portfolio, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Portfolio Lending and
5 Mortgage Access Act".

1 **SEC. 2. SAFE HARBOR FOR CERTAIN LOANS HELD ON**
2 **PORTFOLIO.**

3 (a) IN GENERAL.—Section 129C of the Truth in
4 Lending Act (15 U.S.C. 1639c) is amended by adding at
5 the end the following:

6 “(j) SAFE HARBOR FOR CERTAIN LOANS HELD ON
7 PORTFOLIO.—

8 “(1) SAFE HARBOR FOR CREDITORS THAT ARE
9 INSURED DEPOSITORY INSTITUTIONS.—

10 “(A) IN GENERAL.—A creditor that is an
11 insured depository institution shall not be sub-
12 ject to suit for failure to comply with subsection
13 (a), (c)(1), or (f)(2) of this section or section
14 129H with respect to a residential mortgage
15 loan, and the banking regulators shall treat
16 such loan as a qualified mortgage, if—

17 “(i) the creditor has, since the origi-
18 nation of the loan, held the loan on the
19 balance sheet of the creditor; and

20 “(ii) all prepayment penalties with re-
21 spect to the loan comply with the limita-
22 tions described under subsection (c)(3).

23 “(B) EXCEPTION FOR CERTAIN TRANS-
24 FERS.—In the case of an insured depository in-
25 stitution that transfers a loan originated by
26 that institution to another insured depository

1 institution by reason of the bankruptcy or fail-
2 ure of the originating insured depository insti-
3 tution or the purchase of the originating in-
4 sured depository institution, the insured deposi-
5 tory institution transferring such loan shall be
6 deemed to have complied with the requirement
7 under subparagraph (A)(i).

8 “(2) SAFE HARBOR FOR MORTGAGE ORIGINA-
9 TORS.—A mortgage originator shall not be subject
10 to suit for a violation of section 129B(c)(3)(B) for
11 steering a consumer to a residential mortgage loan
12 if—

13 “(A) the creditor of such loan is an in-
14 sured depository institution and has informed
15 the mortgage originator that the creditor in-
16 tends to hold the loan on the balance sheet of
17 the creditor for the life of the loan; and

18 “(B) the mortgage originator informs the
19 consumer that the creditor intends to hold the
20 loan on the balance sheet of the creditor for the
21 life of the loan.

22 “(3) DEFINITIONS.—For purposes of this sub-
23 section:

1 “(A) BANKING REGULATORS.—The term
2 ‘banking regulators’ means the Federal banking
3 agencies and the Bureau.

4 “(B) OTHER TERMS.—The terms ‘Federal
5 banking agencies’ and ‘insured depository insti-
6 tution’ have the meaning given those terms, re-
7 spectively, under section 3 of the Federal De-
8 posit Insurance Act.”.

9 (b) RULE OF CONSTRUCTION.—Nothing in the
10 amendment made by this Act may be construed as pre-
11 venting a balloon loan from qualifying for the safe harbor
12 provided under section 129C(j) of the Truth in Lending
13 Act if the balloon loan otherwise meets all of the require-
14 ments under such subsection (j), regardless of whether the
15 balloon loan meets the requirements described under
16 clauses (i) through (iv) of section 129C(b)(2)(E) of such
17 Act.

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